

# CONTENTS

<b>I. National Flood Insurance Program.....</b>	<b>I-1</b>
A. Background .....	I-1
B. The Write Your Own Program .....	I-1
C. The NFIP Today .....	I-1
1. NFIP Direct Program.....	I-1
2. WYO Program .....	I-1
D. Flood Hazard Zones .....	I-2
E. Program Phases and Coverage Limits .....	I-3
1. Program Phases .....	I-3
2. Amounts of Insurance Available.....	I-3
 <b>II. Adjuster Participation in the NFIP .....</b>	 <b>II-1</b>
A. Qualifications.....	II-1
1. Residential, Manufactured (Mobile) Home/Travel Trailer, and Commercial Authorization.....	II-1
2. Large Commercial and RCBAP Authorization.....	II-2
B. Authorization Requirements.....	II-2
C. Adjustment Standards and Requirements.....	II-2
1. General Standards and Requirements .....	II-3
2. Specific Standards and Requirements .....	II-3
D. NFIP Fee Schedule Billing.....	II-6
1. Gross Losses.....	II-6
2. Increased Cost of Compliance (ICC) Claims .....	II-6
 <b>III. NFIP Disaster Response .....</b>	 <b>III-1</b>
A. Disaster Response Field Offices.....	III-1
1. Adjuster Control Office.....	III-1
2. Claims Coordinating Office.....	III-1
3. Flood Insurance Claims Office .....	III-1
4. Flood Response Office.....	III-1
B. Single Adjuster Program and Claims Coordinating Office .....	III-2
1. Objective .....	III-2
2. Background .....	III-2
3. Implementation.....	III-2
4. Training.....	III-3
 <b>IV. Policy Changes Affecting the Liberalization Clause .....</b>	 <b>IV-1</b>
A. Additions and Extensions .....	IV-1
B. Water Softeners and Other Parts of Plumbing System .....	IV-1
C. Tenant's Personal Property and Improvements .....	IV-2
D. Unit Owner's Interior Walls, Floor, and Ceiling .....	IV-2
E. Special Limits on Certain Personal Property Items.....	IV-2
F. Loss Avoidance Measures .....	IV-3
G. Self-Propelled Vehicles .....	IV-4
H. Backup, Overflow, and Seepage of Water .....	IV-5
I. Pressure or Weight of Water.....	IV-5
J. Special Loss Settlement .....	IV-5

<b>V. Standard Flood Insurance Policy.....</b>	<b>V-1</b>
A. Introduction.....	V-1
1. The Three Policy Forms .....	V-1
2. Use of New Policy Forms .....	V-1
B. Coverage Comparison Table.....	V-1
C. New Policy Forms and Commentaries.....	V-4
Dwelling Form .....	V-5
General Property Form .....	V-43
Residential Condominium Building Association Policy.....	V-79
<b>VI. Increased Cost of Compliance (ICC).....</b>	<b>VI-1</b>
A. Principal Features of ICC Coverage .....	VI-1
B. Coverage Questions and Answers.....	VI-1
C. Eligibility Questions and Answers.....	VI-2
D. Claims Adjustment Questions and Answers.....	VI-4
<b>VII. Basic Adjustment Issues.....</b>	<b>VII-1</b>
A. Actual Cash Value (ACV) .....	VII-1
B. Additions and Extensions .....	VII-1
C. Depreciation .....	VII-1
1. Building Depreciation .....	VII-1
2. Contents Depreciation .....	VII-1
D. Evidence of Loss.....	VII-1
1. Insured's Responsibilities .....	VII-1
2. Adjuster's Responsibilities .....	VII-2
E. Improvements and Betterments .....	VII-2
F. Non-Waiver Agreement.....	VII-2
G. Other Insurance Clause.....	VII-3
1. Introduction.....	VII-3
2. Examples .....	VII-3
H. Overhead and Profit .....	VII-4
I. Pollution Damage.....	VII-4
J. Proof of Loss Requirements and Waiver .....	VII-5
K. Repair vs. Replacement .....	VII-5
1. Appliances .....	VII-5
2. Furniture .....	VII-5
L. Replacement Cost Coverage (RCC).....	VII-5
M. Reserves .....	VII-6
N. Salvage.....	VII-6
O. Self-Propelled Vehicles .....	VII-6
P. Special Loss Settlement .....	VII-6
Q. Subrogation .....	VII-7
<b>VIII. Special Adjustment Issues .....</b>	<b>VIII-1</b>
A. Air Conditioning Condensers and Solar Heating Elements .....	VIII-1
B. Bailee Goods .....	VIII-1
C. Boathouses: Coverage for Non-Boathouse Parts of Building into Which Boats Are Floated .....	VIII-1
D. Carpeting and Drapes .....	VIII-2
E. Cisterns .....	VIII-2

F. Closed Basin Lakes and Continuous Lake Flooding .....	VIII-2
1. Closed Basin Lakes .....	VIII-2
2. Continuous Lake Flooding.....	VIII-2
G. Coastal Barrier Resources System (CBRS).....	VIII-3
1. Introduction.....	VIII-3
2. Coastal Barrier Resources Act.....	VIII-3
3. Coastal Barrier Improvement Act.....	VIII-4
4. Substantial Improvement: The 50 Percent Rule.....	VIII-4
H. Commercial Losses.....	VIII-4
I. Condemnation of Property .....	VIII-5
J. Constructive Total Loss .....	VIII-5
K. Decks .....	VIII-5
L. Elevated Buildings .....	VIII-5
1. Coverage Restrictions .....	VIII-5
2. Coverage for Garages and Contents .....	VIII-6
3. Coverage for Building Property in a Building Enclosure below the Lowest Elevated Floor or in a Basement .....	VIII-6
M. Elevators .....	VIII-8
N. Erosion and Wave Wash.....	VIII-8
O. Foundations.....	VIII-8
P. Freezers.....	VIII-9
Q. Hydrostatic Pressure .....	VIII-9
R. Ice and Debris Impact Damage .....	VIII-9
S. Manufactured (Mobile) Homes .....	VIII-9
T. Mudflow .....	VIII-9
U. Property Removed to Safety.....	VIII-9
V. Repetitive Loss Structures and Previous Claims.....	VIII-10
1. Repetitive Loss Structures.....	VIII-10
2. Previous Claims .....	VIII-10
W. Scrip and Stored Value Cards .....	VIII-10
X. Seepage and High Water Table.....	VIII-10
Y. Swimming Pools, Hot Tubs, and Spas .....	VIII-10
Z. Travel Trailers .....	VIII-11
A'. Venetian Blinds.....	VIII-11
B'. Water, Moisture, Mildew, or Mold Damage .....	VIII-11
C'. Water Softeners.....	VIII-11

## **IX. Maintaining the Integrity of the NFIP .....**IX-1

A. Quality Assurance Inspections .....	IX-1
1. Routine Reinspections .....	IX-1
2. Special Assist Reinspections .....	IX-1
B. Fraud Prevention.....	IX-1
1. Detecting Possible Fraud.....	IX-1
2. Reporting Possible Fraud .....	IX-2

## **Appendix: NFIP Forms Used in Claims Adjustment.....**A-1

Exhibit 1. Adjuster Certification Application.....	A-3
Exhibit 2. Adjuster Preliminary Damage Assessment.....	A-5
Exhibit 3. Assignment of Coverage D – Increased Cost of Compliance Coverage.....	A-7
Exhibit 4. Cause of Loss and Subrogation Report .....	A-9

Exhibit 5. Elevation Certificate .....	A-11
Exhibit 6. Increased Cost of Compliance (ICC) Adjuster Report .....	A-13
Exhibit 7. Increased Cost of Compliance Proof of Loss.....	A-15
Exhibit 8. Manufactured (Mobile) Home/Travel Trailer Worksheet .....	A-17
Exhibit 9. NFIP Fee Schedule [Gross Loss].....	A-19
Exhibit 10. NFIP ICC Fee Schedule.....	A-21
Exhibit 11. National Flood Insurance Program Preliminary Report .....	A-23
Exhibit 12. National Flood Insurance Program Narrative Report.....	A-25
Exhibit 13. National Flood Insurance Program Final Report.....	A-27
Exhibit 14. Notice of Loss .....	A-29
Exhibit 15. Proof of Loss.....	A-31
Exhibit 16. Statement as to Full Cost of Repair or Replacement.....	A-33
Exhibit 17. Worksheet – Building .....	A-35
Exhibit 18. Worksheet – Building (Cont'd) .....	A-37
Exhibit 19. Worksheet – Contents – Personal Property.....	A-39